

Exhibit B

Second Supplemental Lowne Declaration

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.¹

Chapter 11

Case No. 19-23649 (RDD)

(Jointly Administered)

**SECOND SUPPLEMENTAL DECLARATION OF JON LOWNE IN SUPPORT
OF MOTION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING
IMPLEMENTATION OF 2021 KEY EMPLOYEE INCENTIVE
PLAN AND 2021 KEY EMPLOYEE RETENTION PLAN**

I, Jon Lowne, being fully sworn, hereby declare that the following is true to the best of my knowledge, information and belief:

¹ The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrum Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF L.P. (0495), SVC Pharma L.P. (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

1. I am an Executive Vice President and the Chief Financial Officer of Purdue Pharma L.P. (“**PPLP**” and, collectively with each of the other above-captioned debtors, the “**Debtors**,” the “**Company**” or “**Purdue**”). I was first employed by Purdue as Senior Internal Auditor in 1995 and gained increasing responsibility in the Company’s finance team over time, including as Controller from 2005 to July 2017, and then as Acting Chief Financial Officer from August 2017 to February 2018. Since March 2018, I have been the Chief Financial Officer of PPLP. I am familiar with the day-to-day operations, business and financial affairs of the Debtors.

2. I submit this declaration (this “**Declaration**”) in further support of the *Motion of Debtors for Entry of an Order Authorizing Implementation of 2021 Key Employee Incentive Plan and 2021 Key Employee Retention Plan* [ECF No. 3077] (the “**Motion**”).² I am authorized to submit this Declaration on behalf of the Debtors.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by other employees of the Company or the Company’s advisors, or my opinion based upon experience, knowledge and information concerning the operations of the Debtors and the pharmaceutical industry as a whole. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

² Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Motion.

THE INVOLVEMENT OF THE 2021 KEIP PARTICIPANTS IN THE PLAN

4. During the process of preparing the Plan, I provided input on financial matters and other topics primarily related to my role of CFO, but I never presented to the Board or Special Committee on the Plan. I also regularly reviewed drafts and updated versions of the Plan. I would not describe my role or actions as “pressing for implementation of the Plan.”

5. To the best of my knowledge, Vincent Mancinelli and David Lundie are solely responsible for operational matters. I understand that Mr. Mancinelli and Mr. Lundie have had no involvement with crafting the Plan, although Mr. Mancinelli and Mr. Lundie may have been involved in ancillary matters such as certain executory contract issues. I understand that Mr. Mancinelli and Mr. Lundie have not attended any meetings of the Board regarding the Plan or any meetings of the Special Committee at all.

6. Vincent Mancinelli, the president of Rhodes Pharma, lives and works in Rhode Island and has never held a role at PPLP. Rhodes Pharma operates the Debtors’ generic prescription pharmaceutical business, which has not at any time promoted or marketed opioid medications to prescribers or patients. Until May 2019, Rhodes Pharma and Rhodes Tech were separately managed from PPLP, under the leadership of different boards of directors.

7. David Lundie has served as the Company’s chief technical operations officer since January 2020. He lives in North Carolina and primarily works in North Carolina and Rhode Island. In his current role, Mr. Lundie is responsible for all domestic manufacturing and supply chain activities, including oversight of the Company’s operations at its Wilson, North Carolina facility. He served as chief operating officer of Rhodes Tech and Rhodes Pharma from December 2018 to January 2020. He joined Purdue Pharmaceuticals LP in 2004 as vice president, plant manager and later served as vice president, manufacturing and supply chain and vice president, technical

operations. Mr. Lundie has only ever served at the Company in manufacturing and technical operation oversight roles.

8. To the best of my knowledge, Craig Landau has had minimal involvement in crafting or pressing for the implementation of the Plan. I understand that Dr. Landau has not attended a meeting with any of the Company's stakeholders to advocate for support of the Plan.

9. My understanding is that Marc L. Kesselman has been highly involved in crafting the Plan and advocating for support of the Plan.

THE 2021 PERFORMANCE METRICS REPRESENT STRETCH TARGETS THAT THE DEBTORS WILL NOT ACHIEVE IN FULL

10. The Debtors developed the 2021 Performance Metrics using the same, rigorous process they used to develop the 2020 Performance Metrics, and indeed, the same process they have long used to develop their performance metrics. The 2021 Performance Metrics represent "stretch" goals—ambitious targets that will be difficult for the Company to achieve.

11. In fact, it has already become clear that certain 2021 Performance Metrics will not be achieved or are highly unlikely to be achieved despite the diligent efforts of the Company's employees. The tables below identify the Company's performance to date measured against the value creation and innovation and efficiency performance metrics:

Value Creation Performance Metrics	Target	Weighting	Status
Public Health Initiatives			
Provide support to HRT to allow an NDA filing for OTC intra-nasal naloxone	End of Q3	16.0%	Behind schedule.
Nalmefene autoinjector registration stability initiation on the fully assembled device	End of Q4		On track.

(a) Secure approval for the Nalmefene vial and (b) file the ANDA for the pre-filled syringe	End of Q4		(a) On track and (b) behind schedule.
Progressing the Pipeline			
(a) Complete proof of concept for Sunobinop in insomnia associated with alcohol cessation and (b) make go/no go decision for progression to Phase 3	(a) End of Q2; (b) Year-End	12.0%	(a) Achieved on schedule and (b) on track.
Progress the global development of Tinostamustine in cancer patients to allow cohort prioritization decisions in hemato-oncology and solid tumors	End of Q2		Achieved on schedule.
Project Catalyst Implementation Plan Regulatory Submission on the Following API Transfers:			
Oxycodone / APAP Tabs	End of Q4	1.8%	Achieved ahead of schedule.
Oxycodone Tabs	End of Q4	1.2%	Achieved ahead of schedule.
RALP and Progressing the Generic Pipeline			
Scopolamine TDS – Completion of Skin Sensitization and Irritation Study	End of Q3	2.1%	On track.
Lisdexamfetamine Capsules – Submit ANDA	End of Q4	1.8%	Anticipated not to be achieved by target date.
Dihydroergotamine Nasal Spray – Completion of IVBE Study	End of Q2	1.8%	Not achieved by target date; on track for Q3.
Theophylline ER Tablets (300 mg) – Finalize and submit FDA responses and define clinical path forward	End of Q2	2.1%	Achieved ahead of schedule.
Varenicline Tablets – FDA approval	End of Q3	1.2%	Anticipated not to be achieved by target date; on track for Q4.
Total		40.0%	
Innovation and Efficiency Performance Metric	Target	Weighting	Status
Consolidated total business Operating Profit	\$69 million	20.0%	On track to exceed.
Adhansia XR Net Sales	\$14 million	10.0%	On track to fall short.

Avrio Net Sales	\$97.7 million	10.0%	On track to achieve.
Reduce Rhodes (RALP) 2021 Funding Requirement by \$45 million from 2020 amount	(\$45 million)	10.0%	On track to achieve.
Total		50%	

12. The Company anticipates that it will satisfy both of its people and culture performance metrics: (i) conducting readiness activities to prepare for emergence from bankruptcy and (ii) establishing and supporting implementation of a diversity, equity and inclusion roadmap. These metrics capture important strategic priorities as the Company approaches the completion of its value-maximizing restructuring. Based on the Company's performance year-to-date, the Debtors expect to achieve their corporate objectives at a modestly below-target level in the aggregate.

THE MODEST CHANGES TO THE 2021 PERFORMANCE METRICS RELATIVE TO THE 2020 PERFORMANCE METRICS WERE MADE IN RESPONSE TO CHANGED BUSINESS CONDITIONS

13. Each year, the Company's performance metrics reflect strategic priorities for the year ahead. They are set based on the conditions then facing the business. Changes in the Company's budget and forecasts from one year to the other are taken into account when setting the performance metrics, so the level of each financial performance metric typically changes from year to year. The fact that two financial performance metrics, Consolidated total business Operating Profit and Adhansia XR Net Sales, were set at nominally lower targets than last year's targets reflects changes in the Company's circumstances, not an attempt to make metrics less difficult to achieve. By contrast, the financial performance metric of Avrio Net Sales was set at a higher target based on an anticipated increase in sales over the prior year. The Company has also made a decision to refine last year's Rhodes (RALP) metric. The 2020 metric targeted operating loss of \$35 million. This year, the Company is targeting cash flow improvement of \$45 million.

The shift from a profit target to a cash target is intended to boost the Company's cost-saving and working capital improvement initiatives at the Rhodes (RALP) business.

14. The Company believes that all components of the 2021 Performance Metrics remain ambitious, demanding business goals, some of which it now appears will not be achieved or are highly unlikely to be achieved, as discussed above. Moreover, consistent with historical practice, the 2021 Performance Metrics were developed and approved early in the calendar year using the same process that has long yielded incentivizing corporate targets for the Company and its executives. Pursuant to this process, as in the past, the Compensation Committee recommended the adoption of, and the full Board approved, the 2021 Performance Metrics. No 2021 KEIP Participant is in a position to determine his own compensation at the Company, which instead is solely the responsibility of the Compensation Committee and the Board, as applicable.

15. Additionally, the Debtors made a business decision this year to consolidate certain innovation and efficiency performance metrics. Specifically, the Purdue Branded Business Operating Profit, Adhansia XR Operating Loss and Avrio Operating Profit metrics from 2020 were combined into a single Consolidated total business Operating Profit metric for 2021. The Debtors determined that a more focused, simplified list of performance metrics that continued to emphasize Avrio and Adhansia XR sales growth would better incentivize innovation and efficiency at the Company and would be more consistent with the typical number of performance metrics at similar companies.

CONCLUSION

16. For all the reasons described above, it remains my opinion that the relief requested in the Motion as it relates to the 2021 KEIP is necessary to avoid irreparable harm to the Debtors and constitutes a critical element in maximizing the value of the Debtors' business.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct,

Executed: September 9, 2021

/s/ *Jon Lowne*

Jon Lowne
Executive Vice President and Chief
Financial Officer